

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2016

Docket No. ACR2016

CHAIRMAN'S INFORMATION REQUEST NO. 19

(Issued February 17, 2017)

To clarify the Postal Service's FY 2016 Annual Performance Report (*FY 2016 Report*) and FY 2017 Annual Performance Plan (*FY 2017 Plan*),<sup>1</sup> the Postal Service is requested to provide written responses to the following requests. Answers should be provided to individual requests as soon as they are developed, but no later than February 24, 2017.

**Performance Indicators and the National Performance Assessment (NPA) System**

1. The Postal Service states that the NPA system allows for tracking the associated performance indicators for its corporate-wide performance goals "down to a scorecard for each Area of operation, District and business unit." FY 2016 *Annual Report* at 13. The following questions relate to the NPA system.
  - a. Please provide workpapers showing how the FY 2016 Area, District, and business unit performance indicator scorecards were weighted and rolled up to the corporate-wide score.
  - b. Please provide workpapers showing how the FY 2017 Area, District, and business unit performance indicator scorecards will be weighted and rolled up to the corporate-wide score.

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<sup>1</sup> The *FY 2016 Report* and *FY 2017 Plan* are included in the Postal Service's FY 2016 *Annual Report to Congress*, which the Postal Service filed with the FY 2016 *Annual Compliance Report*. See United States Postal Service FY 2016 Annual Report to Congress, Library Reference USPS-FY16-17, December 29, 2016 (FY 2016 *Annual Report*).

- c. Please provide the FY 2015 and FY 2016 performance indicator results at the Area and District levels for the Deliver High-Quality Service, Provide Excellent Customer Experiences, Ensure a Safe Workplace and Engaged Workforce, and Sustain Controllable Income goals in a similar format and comparable to those provided in Docket No. ACR2015, Responses of the United States Postal Service to Chairman's Information Request No. 13, February 18, 2016, Tables 1.1 and 1.2. Please specify the FY 2016 Area and District performance indicator target if it differed from the FY 2016 corporate-wide target.
- d. For Area and District-level performance indicator results that declined in FY 2016 as compared to FY 2015, please discuss, by Area and District, the reasons why such results declined and the plans and schedules to meet those targets in FY 2017.

### **Sustain Controllable Income**

- 2. The Postal Service states that the total number of routes increased by 2,327 in FY 2016. FY 2016 *Annual Report* at 52. Please provide the number of city delivery routes that increased in FY 2016 by type of route (e.g., residential, business, special purpose route) and delivery mode (e.g., park and loop, foot, curb, dismount).
- 3. The Postal Service states that strong package growth caused work hours to increase significantly during FY 2016. FY 2016 *Annual Report* at 22. It states, "[t]hese additional hours are earned from volume and are now accounted for within the DPH equation by removing them from the denominator to compare years strictly on a productivity basis." *Id.*
  - a. Please provide the data source(s) and workpapers showing the derivation of the "additional hours earned from volume."

- b. The Postal Service provided Deliveries per Work Hour (DPWH) data in a CHIR response.<sup>2</sup> Please refer to the “YTD Total Workload Volume Workhours” row in the “FY 16 Actual” and “FY 17 Target” tables. Please explain how the “additional hours earned from volume” resulted in the “YTD Total Workload Volume Workhours” for the FY 2016 actual (18 million) and FY 2017 target (2 million). In the response, please explain why the FY 2016 actual “YTD Total Workload Volume Workhours” (18 million) differs significantly from the FY 2017 target (2 million).
4. The following questions relate to the DPWH performance indicator.
- a. Please confirm that the DPWH results for fiscal years 2013 (41.60), FY 2014 (42.00), and FY 2015 (41.50) were calculated using the same methodology. See FY 2016 *Annual Report* at 15. If not confirmed, please explain.
- b. The Postal Service states that in FY 2016, DPWH increased by 0.1 percent. FY 2016 *Annual Report* at 22. The Postal Service appears to have calculated this result using FY 2016 “YTD Adjusted Total Workhours” (1,139,564,088) instead of FY 2016 “YTD Total Workhours” (1,157,564,088).<sup>3</sup> As a result, 18 million workhours were removed from the denominator. By comparing the seemingly more comparable inputs (“Total Workhours”) in the “September YTD FY 16” and “September YTD FY 15” tables, it would appear that in FY 2016, the DPWH calculated rate decreased (*i.e.*, FY 2016 DPH was 40.9 versus the FY 2015 DPH of 41.5), rather than increased. See Responses to CHIR No. 14, question 11, “Deliveries Per Work Hour Data.” Please explain why the Postal Service believes that DPWH increased in FY 2016 given that the FY 2016 and

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<sup>2</sup> See Responses of the United States Postal Service to Questions 1 and 11 of Chairman’s Information Request No. 14, February 10, 2017, question 11 (Responses to CHIR No. 14).

<sup>3</sup> See Responses to CHIR No. 14, question 11.

FY 2015 workhours used in the denominators of the FY 2016 and FY 2015 DPWH rates were not comparable.

- c. Please refer to the “Deliveries Per Work Hour Data” tables provided in the Responses to CHIR No. 14, question 11.
  - i. Please specify the source(s) and input(s) and show the derivation of the FY 2015 to FY 2017 “YTD Adjustment to Delivery Days.”
  - ii. Please specify the source(s) and input(s) and show the derivation of the FY 2016 and FY 2017 “YTD Total Workload Volume Workhours.”
- d. Please refer to the tables in the Responses to CHIR No. 14, question 11, and show which inputs were used and the calculation steps for the FY 2017 Deliveries per Total Work Hours % SPLY target result.<sup>4</sup>
- 5. In FY 2016, the Postal Service replaced DPWH with DPTWH % SPLY as a performance indicator for the Sustain Controllable Income goal. FY 2016 *Annual Report* at 15 n.11, 12. Please describe the DPTWH % SPLY performance indicator. In the response, please explain what DPTWH % SPLY measures and provide the formula for calculating results.

### **Ensure a Safe Workplace and Engaged Workforce**

- 6. The following questions concern the Postal Pulse survey.<sup>5</sup>

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<sup>4</sup> The “FY17 TARGET” table lists the YTD Actual DPH in the “FY17 Plan” column as 41.2, and the “FY 16 ACTUAL” table lists the “YTD Actual DPH” as 41.6.

<sup>5</sup> A copy of the Postal Pulse survey was included in the Commission’s analysis of the FY 2015 Annual Performance Report and FY 2016 Annual Performance Plan. See Docket No. ACR2015, Analysis of the Postal Service’s FY 2015 Annual Performance Report and FY 2016 Performance Plan, May 4, 2016, at 48 (FY 2015 *Analysis*). The Postal Service confirmed that the same Postal Pulse-related information was sent to employees in FY 2016. Responses of the United States Postal Service to Chairman’s Information Request No. 7, January 25, 2017, question 4 (Responses to CHIR No. 7).

- a. Please provide the FY 2016 Postal Pulse survey scores showing the grand mean and the individual mean responses for the 12 Postal Pulse questions on which the mean score is based.
  - b. Question 0 on the Postal Pulse survey states, “On a five-point scale, where 5 means extremely satisfied and 1 means extremely dissatisfied, how satisfied are you with the Postal Service as a place to work?” See FY 2015 *Analysis* at 48. Please provide the FY 2015 and FY 2016 results for this question.
  - c. Please provide the number of Postal Pulse survey respondents who responded to at least one question on the Postal Pulse survey (including Question 0) in:
    - i. FY 2015
    - ii. FY 2016
7. The Postal Service states that in FY 2017, it is “taking steps to address the increase in motor vehicle accidents through a redesigned driver training program.” FY 2016 *Annual Report* at 20.
  - a. Please provide the total number of motor vehicle accidents reported to date by type of motor vehicle accident that occurred during FY 2016.
  - b. Please explain why the total number of motor vehicle accidents in FY 2016 increased over FY 2015.
  - c. Please discuss the types of motor vehicle accidents that increased in FY 2016 compared to FY 2015. In the response, please provide the reasons for each increase by type of motor vehicle accident (e.g., distracted driving). In the response, please also specify which safety programs in FY 2016 were designed to reduce each type of motor vehicle accident.

8. The Postal Service previously stated that to reduce the number of motor vehicle accidents in FY 2016, it would have to redesign its Safe Driver Training program, among other efforts.<sup>6</sup>
  - a. Please confirm that the Postal Service redesigned its Safe Driver Training program during FY 2016.
    - i. If confirmed, please discuss how the Safe Driver Training program was redesigned. In the response, please explain how the redesigned Safe Driver Training program affected the number of motor vehicle accidents in FY 2016.
    - ii. If not confirmed, please discuss what enhancements or efforts were made to reduce the number of motor vehicle accidents in FY 2016.
  - b. Please explain how the Postal Service's FY 2017 plans to redesign the driver training program differ from its FY 2016 plans to redesign the driver training program.
9. Please provide the total number of Occupational Safety and Health Administration (OSHA) non-recordable accidents by accident-type for:
  - a. FY2015
  - b. FY 2016
10. Please provide total number of OSHA recordable accidents by accident-type for:
  - a. FY 2015
  - b. FY 2016
11. In Docket No. ACR2015, in response to a CHIR, the Postal Service explained that for FY 2015 it failed to meet the OSHA Illness and Injury Rate (OSHA I&I Rate) performance indicator because of significant changes to its business,

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<sup>6</sup> FY 2015 *Analysis* at 52 (citing, Docket No. AC2015, Responses of the United States Postal Service to Questions 1-6 of Chairman's Information Request No. 17, March 3, 2016, question 4.c.).

which involved “expansion into Sunday delivery and other new delivery areas, such as groceries,” as well as the hiring of a large number of City Carrier Assistants.<sup>7</sup>

- a. Please explain whether these same factors were the causes of the Postal Service missing its FY 2016 target.
- b. Please provide the number of FY 2016 accidents reported to date that occurred on a Sunday.
  - i. If the number of FY 2016 accidents reported to date that occurred on a Sunday increased compared to the FY 2015 accidents reported to date that occurred on a Sunday, please explain the reasons why.
  - ii. If the number of FY 2016 accidents reported to date that occurred on a Sunday decreased compared to the FY 2015 accidents reported to date that occurred on a Sunday, please explain the reasons why.
- c. In Docket No. ACR2015, in response to a CHIR, the Postal Service discussed, with regard to its FY 2015 OSHA I&I Rate, some Sunday delivery initiatives that could assist with reducing accidents occurring on Sundays.<sup>8</sup> Please discuss the current status of these initiatives.

By the Chairman.

Robert G. Taub

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<sup>7</sup> Docket No. ACR2015, Responses of the United States Postal Service to Questions 1-6 of Chairman’s Information Request No. 17, March 3, 2016, question 1.

<sup>8</sup> Docket No. ACR2015, Responses of the United States Postal Service to Questions 1-4 of Chairman’s Information Request No. 20, March 18, 2016, question 1.